

**THE CALIFORNIA DEBT AND
INVESTMENT ADVISORY
COMMISSION**

presents

**VARIABLE RATE FINANCING AND
INTEREST RATE SWAPS FOR
MUNICIPAL FINANCE ISSUERS**

**May 5-6, 2005
Embassy Suites Hotel
A Conference Center on Monterey Bay
Seaside, CA**

**California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814**

FIRST CLASS

**VARIABLE RATE FINANCING AND
INTEREST RATE SWAPS**

ABOUT THE PROGRAM

The *Variable Rate Financing and Interest Rate Swaps for Municipal Finance Issuers* is an intermediate level course on alternatives to fixed rate financings for municipal purposes. The concepts covered in a one and one-half day program include: variable rate debt issuance and interest rate swaps. It is recommended that participants have an understanding of basic bond deals and refunding transactions to fully benefit from the class. The program is open to all interested public officials and their staff.

WHO SHOULD ATTEND

This seminar is intended for public agency officials and their staff interested and/or involved in the debt issuances of public funds. Representatives from cities, counties, state, special districts, schools and community college districts, redevelopment agencies, and elected officials are especially encouraged to attend.

THE COMMISSION

CDIAC provides information, education and technical assistance on public debt and investments to local public agencies and other public finance professionals. To carry out its responsibilities, CDIAC maintains a database of all public debt issued in California, conducts a continuing education program, publishes a monthly newsletter with debt issuance data and informative articles, and conducts research to develop reports, guidelines, and briefs on topical issues.

GENERAL INFORMATION

Registration is limited to public agency officials and their staff. *No walk-in registrations will be accepted.* Full refunds will be made to registered participants if CDIAC cancels or postpones the program. Substitution of officials or staff from the same entity is permitted. **No refunds will be honored for cancelled registrations after the seminar registration deadline of April 12, 2005. Late registrations will be accepted after April 12, 2005, if space is available.**

LODGING

Hotel reservations should be made with the Embassy Suites Hotel, 1441 Canyon Del Rey, Seaside, California at (831) 393-1115. A special room rate of \$109.00 is available to seminar participants. When making reservations, please indicate that you are attending the CDIAC Variable Rate Financing and Interest Rate Swaps seminar. **The deadline for hotel reservations for the special room rate is April 12, 2005.**

CDIAC complies with the Americans with Disabilities Act (ADA). For assistance please contact CDIAC at (916) 653-3269.

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Seaside, California*

SEMINAR REGISTRATION FORM

To register, please complete this form and return it before the final registration deadline to CDIAC. One form is required for each participant. **Payment of the registration fee must be enclosed.** Registration is limited to public agency officials and their staff. No refunds will be provided after the **registration deadline of April 12, 2005.** Registrations after **April 12, 2005,** will be accepted only if space is available. *You will receive a confirmation notice once a registration form and check are received by CDIAC.*

(Please print or type)

NAME _____

TITLE _____

AGENCY _____

STREET _____

CITY/STATE/ZIP _____

TELEPHONE _____ FAX _____

E-MAIL _____

Variable Rate Financing and Interest Rate Swaps for Municipal Finance Issuers
Embassy Suites Hotel
1441 Canyon Del Rey
Seaside, CA 92955
(800) 559-4308

Flat Registration Fee: \$195

Or

Registration Fee with California Debt Issuance Primer*: \$220.00

Enclosed is my check for \$ _____

Make check(s) payable to:

California Debt and Investment Advisory Commission

Mail your registration to:

California Debt and Investment Advisory Commission
Attn: Seminar Programs
915 Capitol Mall, Room 400
Sacramento, CA 95814
Phone: (916) 653-3269 **FAX: (916) 654-7440**

**Copies of CDIAC's California Debt Primer will be available for viewing. Primers that are purchased in conjunction with the seminar fee will be mailed after the seminar date.*

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THURSDAY

May 5, 2005

8:00 a.m. **Registration and distribution of seminar materials**
Complimentary rolls and coffee

8:30 a.m. **Introduction and Welcome**

*Lisa M. Harris, Executive Director, California Debt and
Investment Advisory Commission (CDIAC)*

8:45 a.m. **Fixed Rate vs. Variable Rate Financing**
This session will address many of the questions that issuers have regarding whether they should issue fixed rate versus variable rate debt. A speaker will provide a description of both types of debt and discuss when each may be appropriate. The pros and cons of issuing variable rate debt in comparison to fixed rate debt will be explored.

*Scott Nagelson, Principal, Banc of America
Securities, LLC*

10:00 a.m. **Break**

3:00 p.m.

Utilizing Interest Rate Swaps

A panel will provide an in-depth discussion of when issuers might consider using swaps in connection with variable rate bonds or fixed rate bonds or instead of refunding existing bonds. Panelists will help participants understand the critical decision factors in deciding to utilize an interest rate swaps in today's current environment.

*Peter Shapiro, Managing Director, Swap Financial
Group, LLC*

*Doug Goldberg, Senior Vice President, CDR Financial
Products*

*Keith Norris, Manager, Treasury and Debt Management,
The Metropolitan Water District of
Southern California (invited)*

4:30 p.m.

Reception for all participants and speakers

FRIDAY

May 6, 2005

8:00 a.m.

Check In
Complimentary rolls and coffee

- 10:15 a.m. **Types of Variable Rate Financings and Their Applications**
This session focuses solely on the types of variable rate products that municipal financing issuers might utilize. Types of products include: tax exempt commercial paper, variable rate demand bonds, and auction rate securities. A panel of issuers will provide real life examples of these financings and discuss the critical reasons for issuing such debt and/or reasons for selecting certain types of financings over others.
- Moderator: Scott Nagelson, Principal, Banc of America Securities, LLC*
Brian Mayhew, Chief Financial Officer, Metropolitan Transportation Commission
Julia Cooper, Deputy Director of Finance, City of San Jose (invited)
Marcia Maurer, Chief Financial Officer, Sacramento Regional County Sanitation District
- 12:00 p.m. **Luncheon for All Participants and Speakers**
- 1:00 p.m. **Structuring Various Types of Variable Rate Financings**
A financial advisor and an underwriter will cover the mechanics of variable rate deals and how to structure the deals to successfully complete projects.
- David Brodsky, Vice President, Kelling Northcross & Nobriega*
Brian Corley, Vice President, JP Morgan
- 2:45 p.m. **Break**

- 9:00 a.m. **Case Study: Mechanics and Risk Factors of Swaps**
This session will focus on some of the financial and legal issues associated with swaps and how they might be mitigated. In addition, the panel will focus on a case study to assist in understanding the mechanics of swap transactions
- George Majors, Managing Director, Bond Logistix*
Panel To Be Announced
- 10:30 a.m. **Break**
- 10:45 a.m. **Considerations for Utilizing Variable Rate and Swap Products**
A panel will cover policy, credit rating, accounting, credit enhancement, and disclosure factors to consider when contemplating the use of variable rate or swap product, as the ongoing administration of the swap will play a major role in the success of either financing tool.
- Steve Zimmermann, Managing Director, Standard and Poor's*
Dari Barzel, Vice President/Senior Credit Officer, Moody's Investors Service
Phil Murphy, Principal, Winters & Co. Advisors, LLC
- 12:00 p.m. **Conclusion of Workshop and Evaluations**

The California Debt and Investment Advisory Commission is an MCLE approved provider. This "Variable Rate Financing and Interest Rate Swaps" seminar qualifies for 9.5 hours MCLE credit. CDIAC seminars are accepted by many certification entities as "certifiable."

Recommended program to follow this course is CDIAC's preconference at the 15th Annual Bond Buyer Conference "Strategies For Managing Your Assets and Liabilities" on September 21, 2005, in Carlsbad, California